Module DeMasy / KYC

Module Explanation

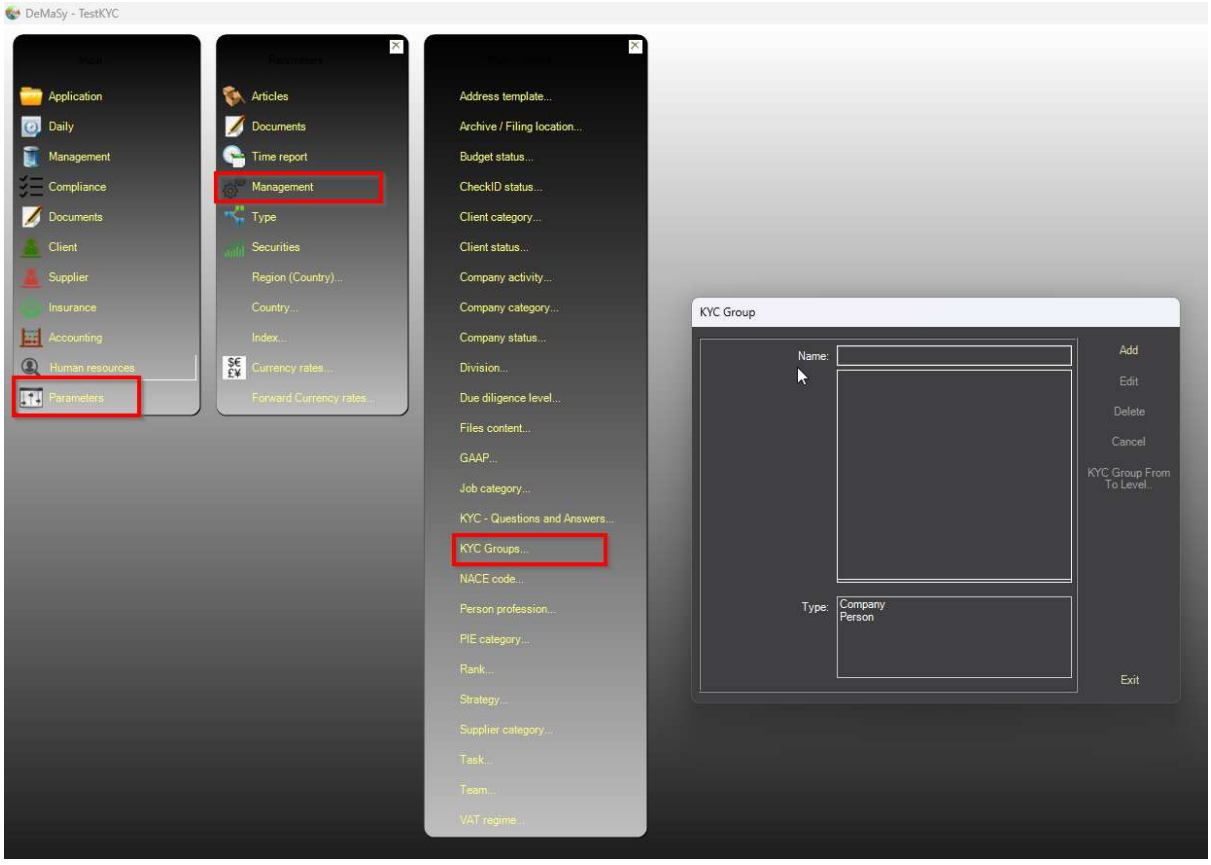
The KYC module of DeMaSy is based on a questionnaire that must be configured within DeMaSy and properly completed by authorized individuals. The questionnaires can be linked to companies or individuals. Once the questionnaire is completed, a score will be calculated, and a risk level will be proposed by DeMaSy.

Configuring the Questionnaires

1) Definition of Question Groups

In DeMaSy, you can create as many KYC questionnaires as needed based on the type of company or individual, geographical regions, different legislations, etc. Each company or individual can be linked to only one question group.

The first step is to create the question groups.

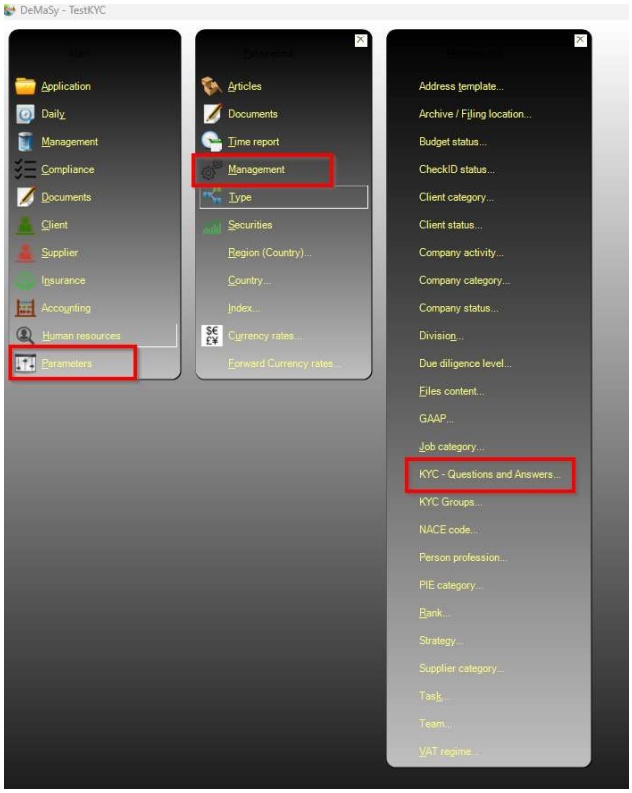


The KYC Group screen allows you to create question groups. A group is defined by a name and a type. It is created to be used either for companies or for individuals (*Type List*)—but

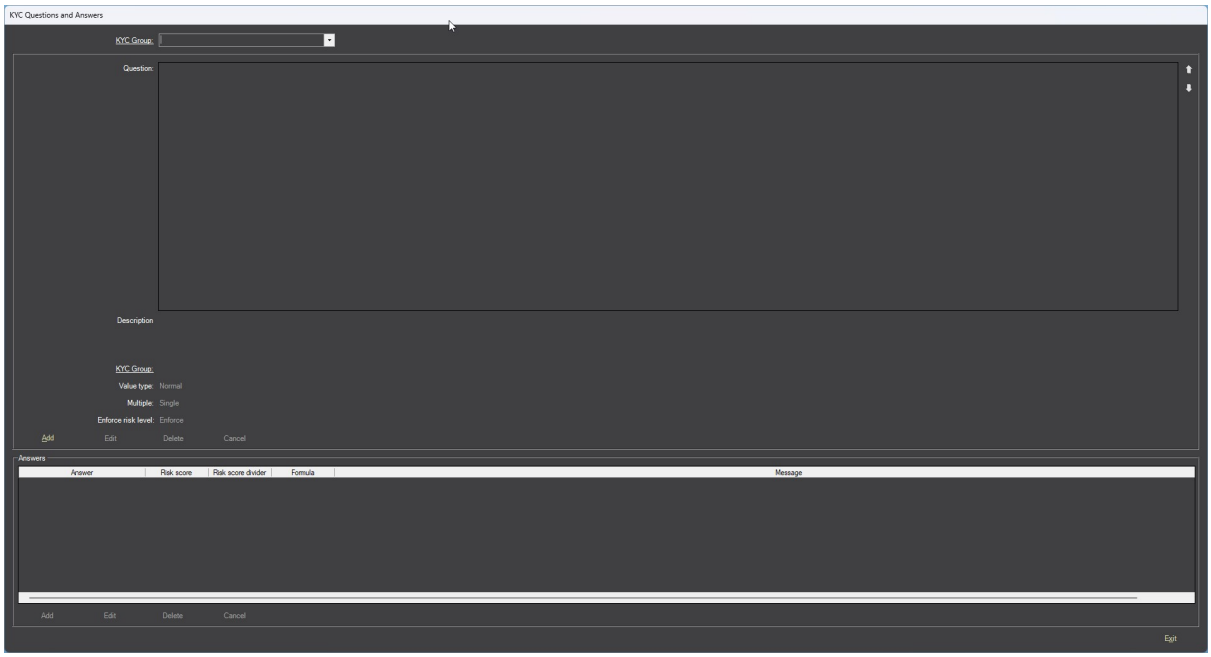
never for both at the same time. This way, when you need to assign a questionnaire to a company, you will only see questionnaires related to companies, and the same applies for individuals.

Once the group is configured, you will need to create the questions and answers linked to that group.

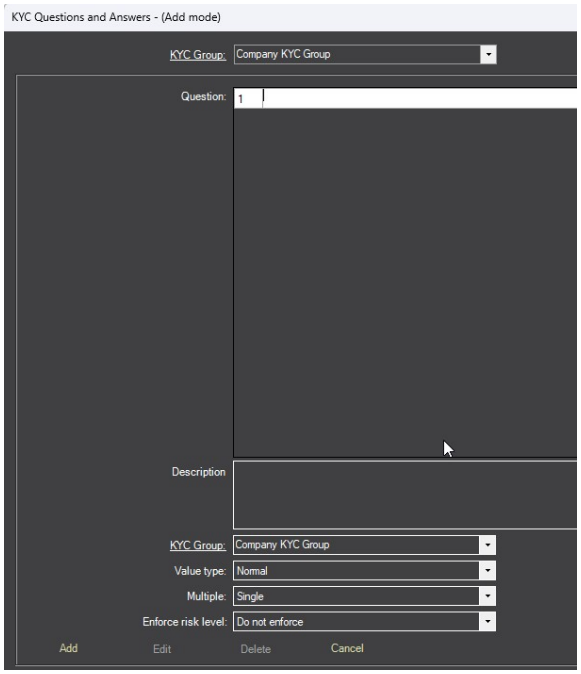
1) KYC Questions



The following screen allows you to configure questions and answers for each group.



The first step is to select the group you want to work on from the "KYC Group" dropdown list.



Once selected, you can add questions to the group using the **[Add]** button.

A question is made up of a question label, a description, a question type, a setting indicating whether the question accepts one or multiple answers, and a setting indicating whether the response can influence the suggested risk level.

- Question Label: This is the actual question that will be visible on the company or individual screen under the *KYC Question* tab.
- Description: This field is only visible in the question configuration screen and helps client managers understand what is expected from the question. This field is optional.
- Type: There are several types of questions, which vary depending on whether the subject is a company or an individual.

Type	Société	Personne	Description
Normal	X	X	This type of question allows multiple responses defined by the user.
Country (Select)	X	X	This type of question expects a country as a response, selected from the list of countries defined in the DeMaSy Country screen.
Country (Legal)	X	X	This type of question will not require a manual response; the answer will automatically be the country of the legal address of the company or individual.
Country (Mail)	X	X	This type of question will not require a manual response; the answer will automatically be the country of the mailing address of the company or individual.
Country (Nationality)	X	X	This type of question will not require a manual response; the answer will automatically be the nationality of the company or individual.
Country (Juridiction)	X	X	This type of question will not require a manual response; the answer will automatically be the jurisdiction country of the company or individual.
Company Activity	X	X	This type of question will not require a manual response; the answer will automatically be the company's activity.
Cash intensive business	X	X	This type of question can only have two possible responses. When creating this type of question, two answers are automatically generated: Yes / No. The user can define the score for each of these responses.
NACE Code	X	X	This type of question will not require a manual response; the answer will automatically be the company’s NACE code.
Relation	X	X	This type of question will be linked to the company or individual's relationships. If one of the related parties is 100% blacklisted, the score will reflect the maximum score of the responses.
PEP		X	This type of question will be linked to the PEP (Politically Exposed Person) section of the individual screen. When creating this type of question, two answers are automatically generated: Yes / No. The

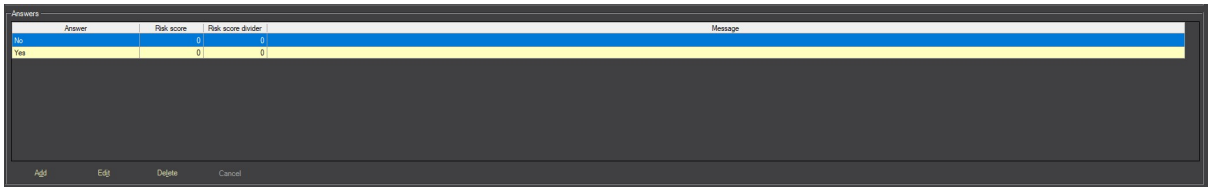
			user can define the score for each of these responses.

Multiple: Indicates whether a question accepts multiple answers.

Enforce Risk Level: If a question reaches the maximum score, DeMaSy will suggest the highest risk level. More on this later.

2) KYC Answer

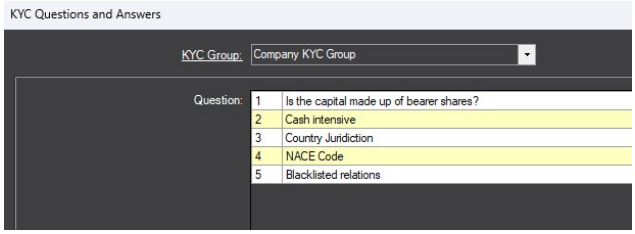
Each answer has a score that contributes to calculating the KYC score for a company or individual.



For each question, you can define:

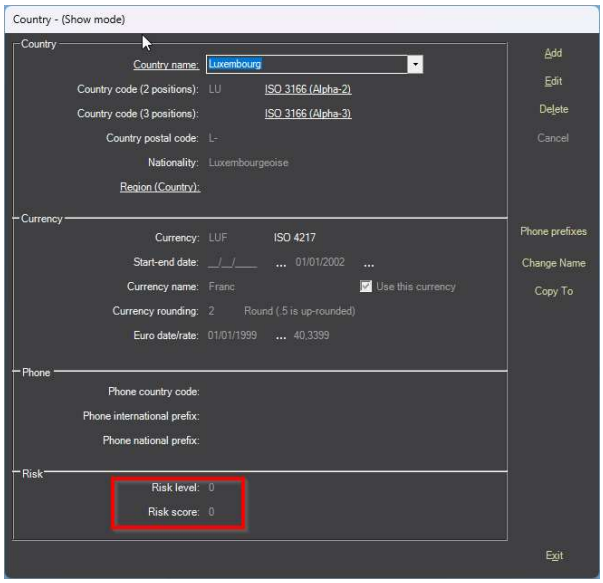
Label: The answer label
Score: Score if the answer is selected
Risk Score Divider: A multiplier coefficient
Message: A message for the KYC manager to explain the nature of the answer

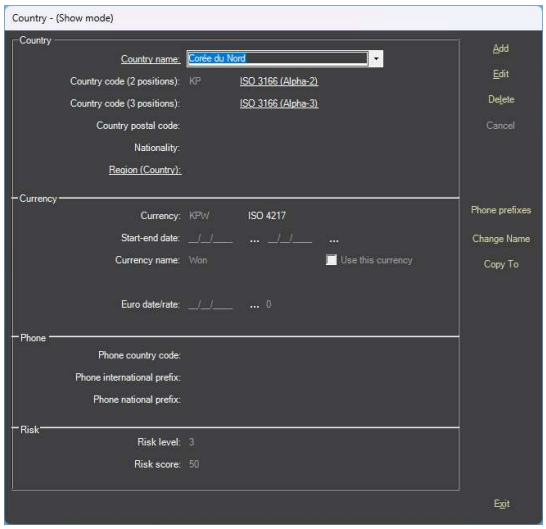
Example Questionnaire



3) Country screen

For each country, you can define a risk score and a risk level.

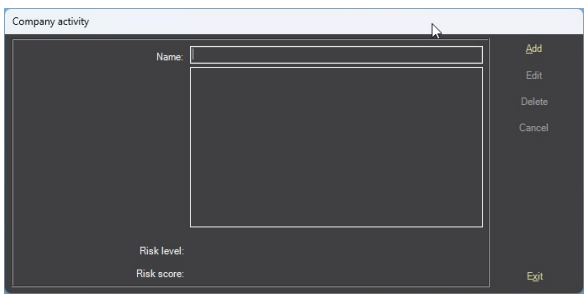


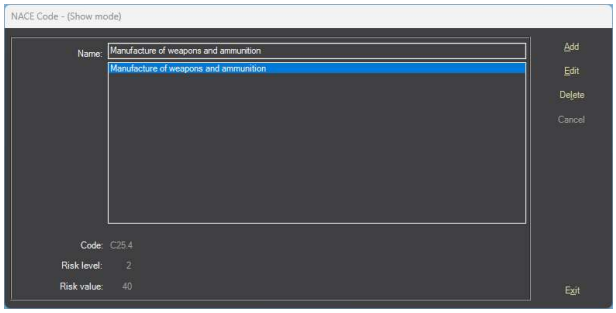


This risk score will be used for any question that involves a country.
For example, if North Korea is selected, the score could be 50.

Changing a country's score will recalculate the score for all related entities.

The Activity and NACE Code screens work similarly—you can define scores and levels which will be used in the final score calculation.





Using Questionnaires in Company and Individual Screens

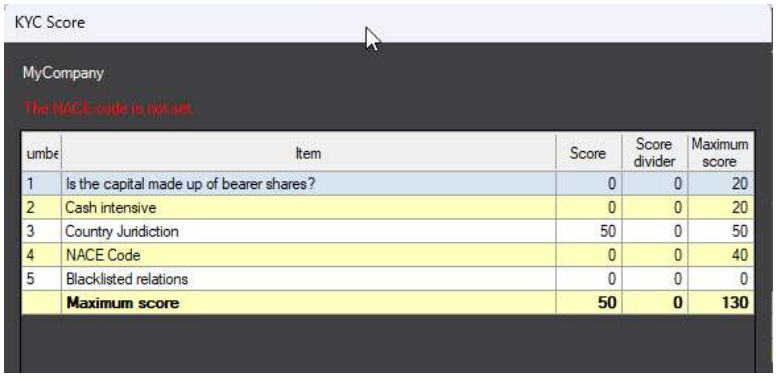
To assign a KYC group to a company or individual:

1. Go to the *KYC Question* tab
2. Edit the entity
3. Select the group from the dropdown at the top-left

All related questions (except non-Normal types) will appear.



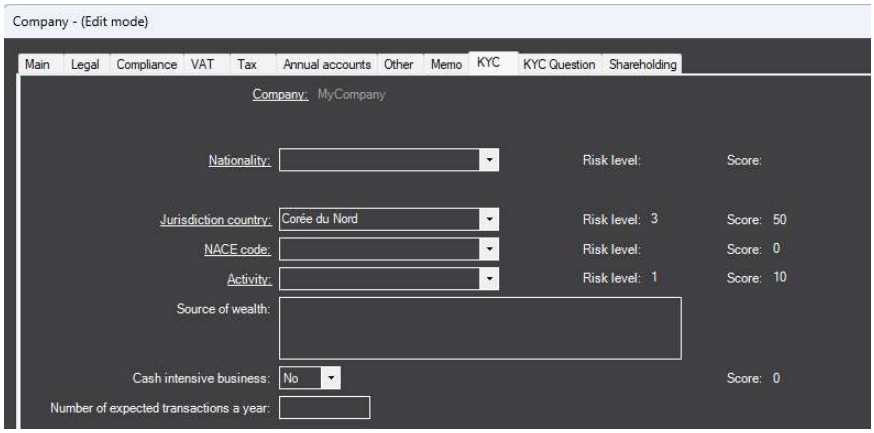
The *KYC Question* tab shows the KYC score at the top-right. Click the three dots to view score details.



Each question displays its maximum score.

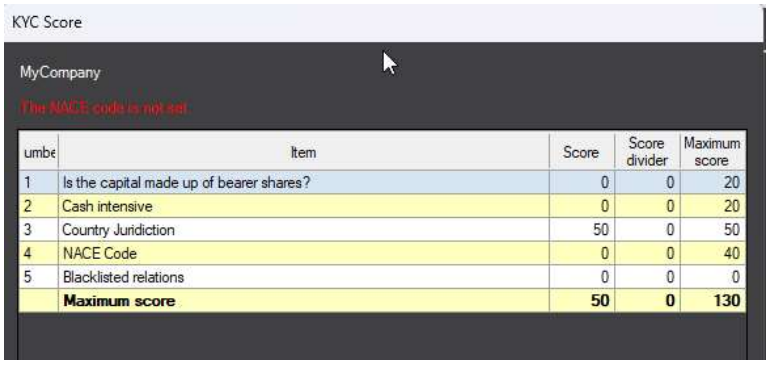
For example:
For question 1, the maximum score is 20, and this is the score we assigned to the "Yes" response when defining the questionnaire. The same applies to question 2—we set a score of 20 for the "Yes" response. The maximum score for question 3 is 50, which is the highest score defined at the country level. For the NACE Code, the highest defined score is 40. And finally, for question 5, if a person is 100% blacklisted, the score is 50.

The maximum score a company can achieve in this group of questions is therefore 180, which is the sum of all the maximum scores.



On the KYC tab, we have defined the country of jurisdiction. To the right of this country, the score set for North Korea and the associated risk level are displayed.

When you click on the score details, the following screen is displayed.

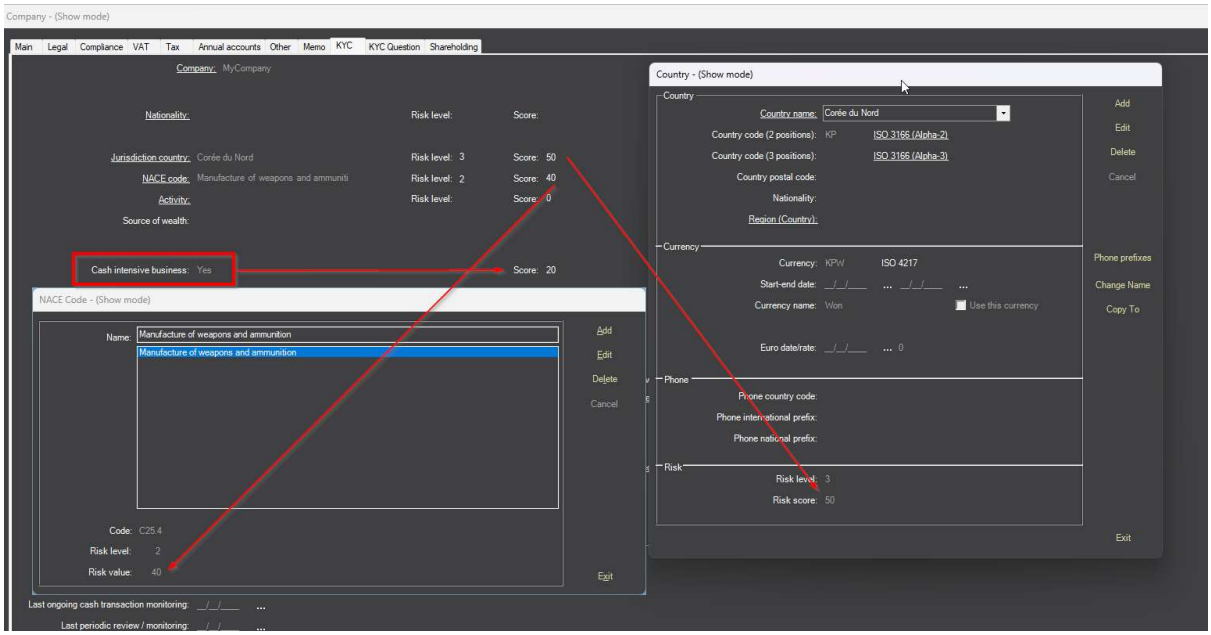


All the questions are listed along with the score achieved for each one. At the top of the table, a message indicates that the NACE Code has not been defined. This is why, on the KYC score tab, a question mark (?) appears instead of a number. If the entire questionnaire has not been completed, the final score cannot be calculated.

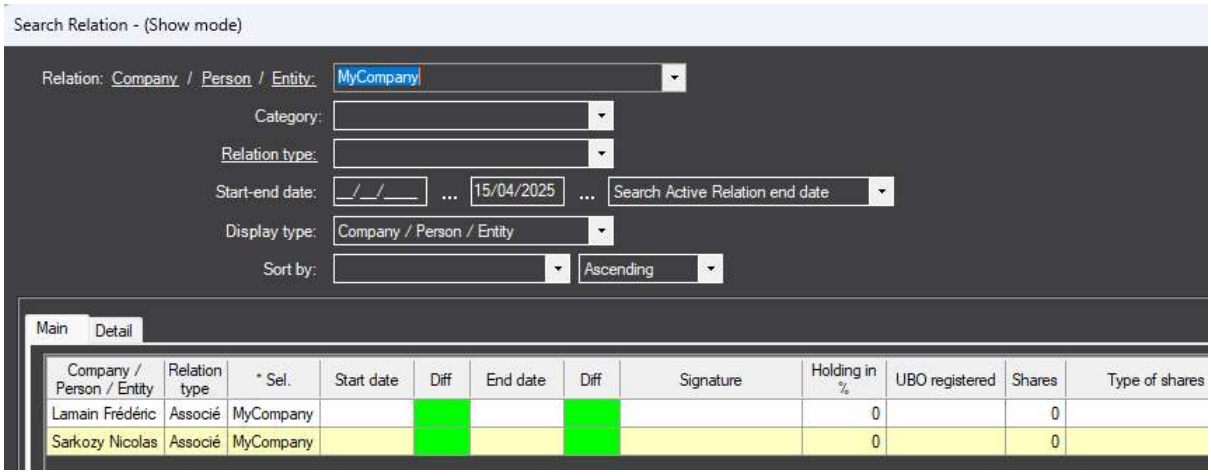
We will now answer all the questions to see how the score evolves.



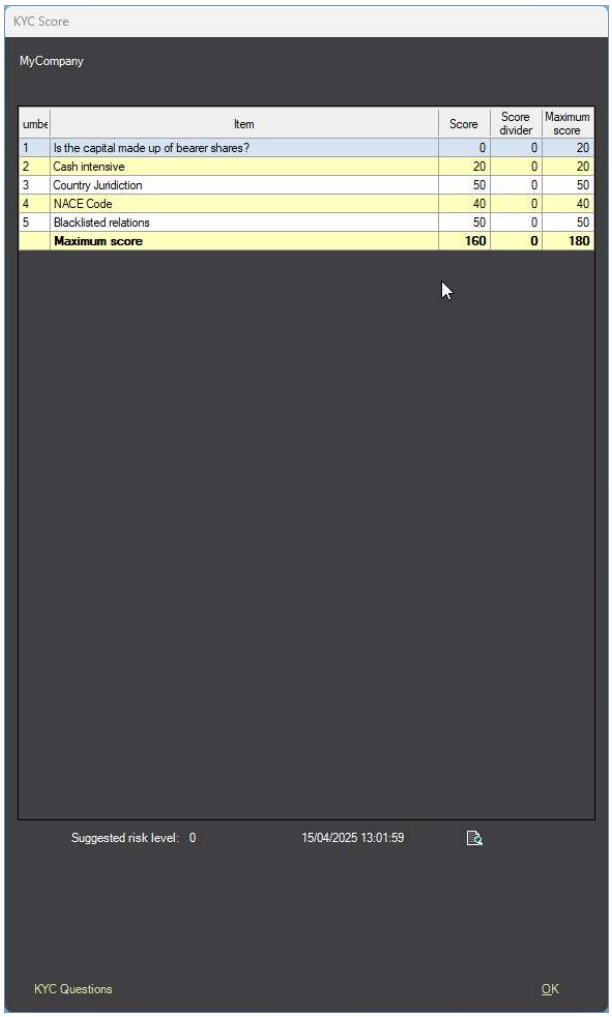
1) KYC details



2) Company relation details



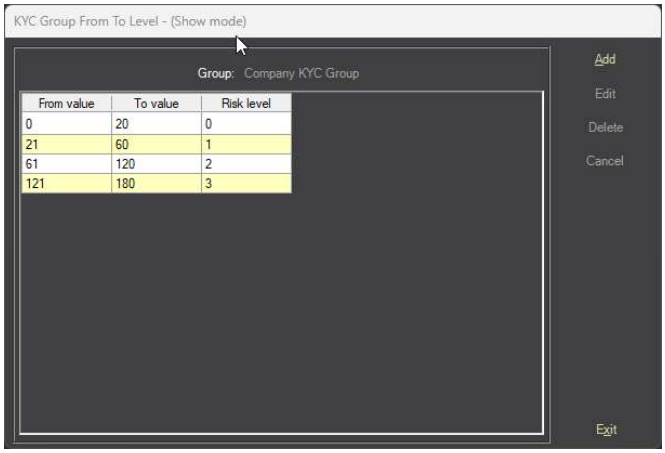
KYC Score Calculation Details



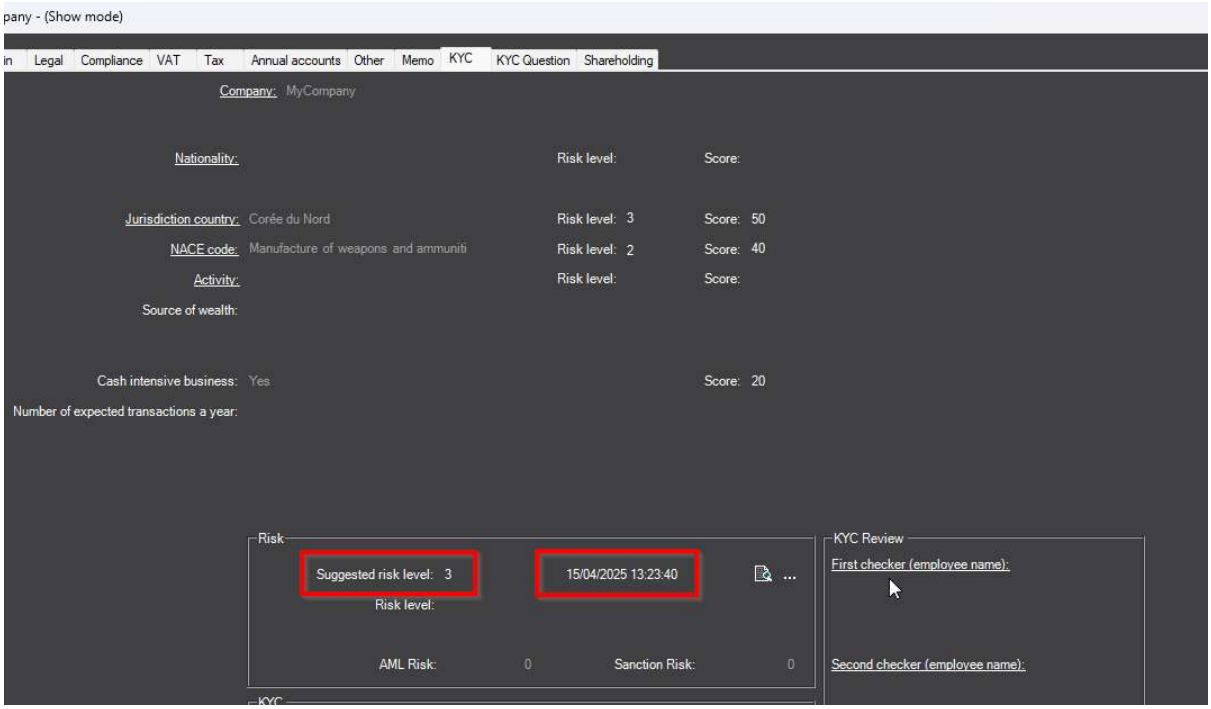
All questions now have a response, which allows the overall score to be calculated. By answering "No" to the first question, we get a score of 0. In the *Cash Intensive* section, we selected "Yes," which increases the score by 20 (the score assigned to the "Yes" response). The jurisdiction country is North Korea, which adds 50 points. The selected NACE code adds another 40 points. Finally, our company has a relationship that is 100% blacklisted (Nicolas Sarkozy), which adds 50 points.
We therefore reach a total score of 160 out of 180.

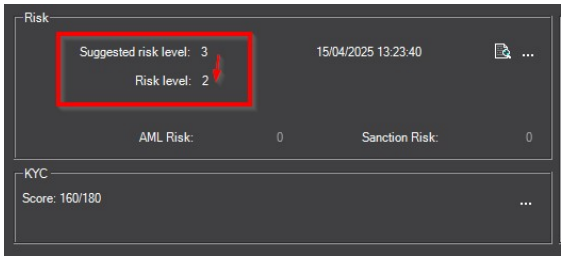
Below the score table, the suggested risk level is displayed. This indicator is automatically calculated by DeMaSy based on the score obtained from the questionnaire.

You can configure the suggested risk level yourself by clicking the button  to the right of the date.



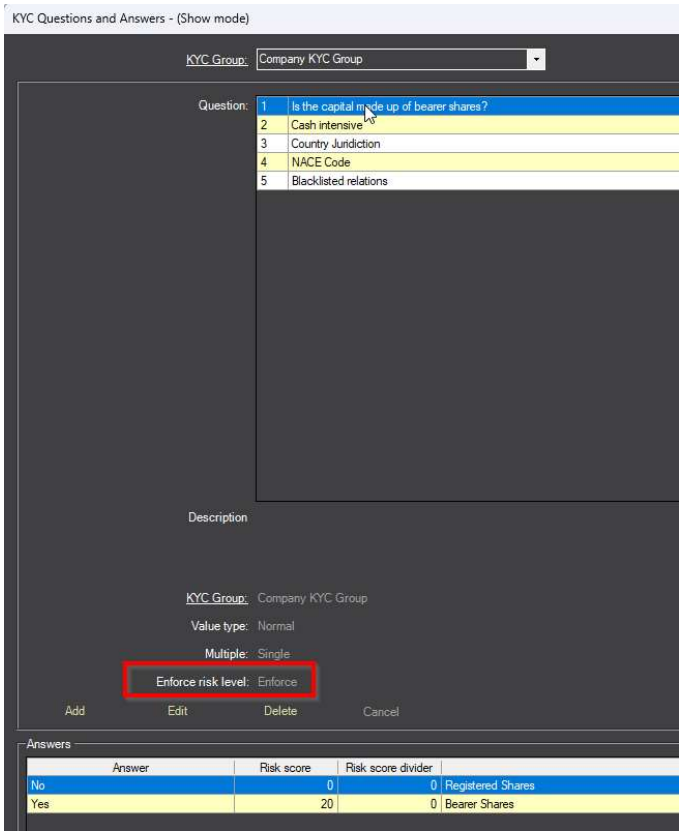
This brings you to a screen that allows you to set a risk level based on the score obtained.
The suggested risk level also appears on the KYC tab of the company or individual screen, along with the date it was last updated.





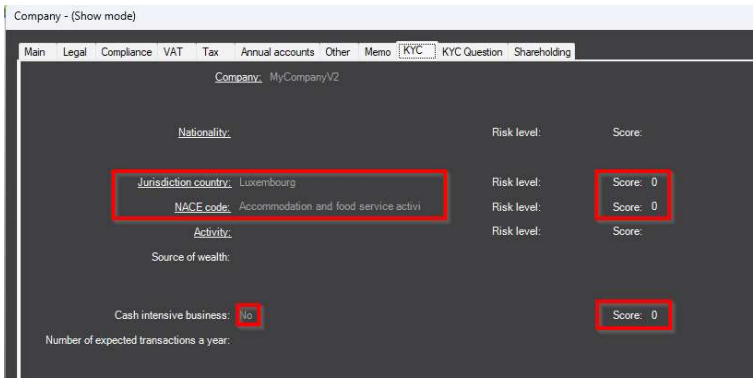
This risk level is only a suggested level. After the client manager has reviewed the entire KYC, they can override this suggested level and choose to enter a different one.

Another case involves a question with the "Enforce Risk Level" option checked.



In our case, if the answer "Yes" is selected, the suggested risk level will be set to the highest, regardless of the scores from the other questions.

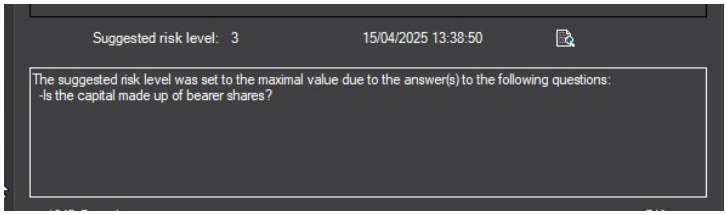
Definition of the KYC Tab – All Scores Are Zero



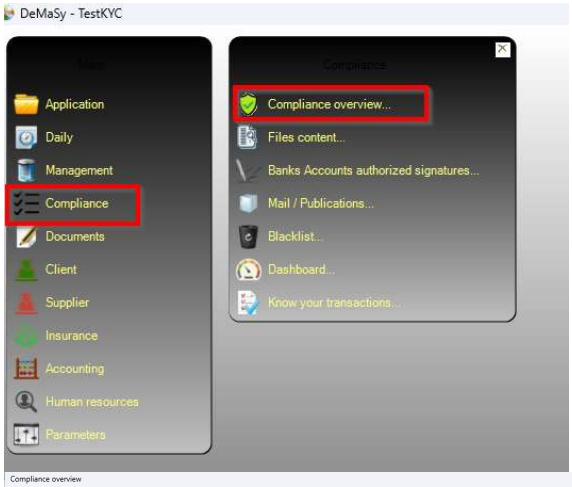


Score Details

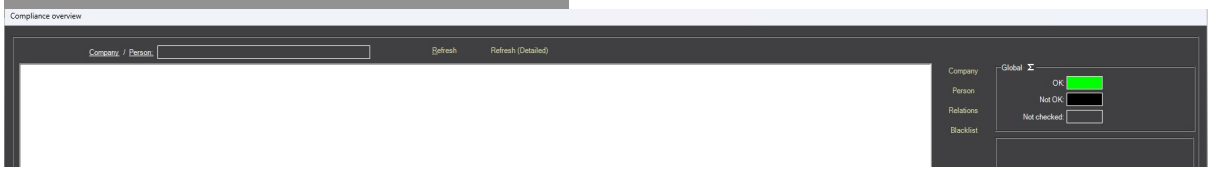
The score is 20 out of 180. Based on the configuration mentioned earlier in this document regarding suggested risk levels, the company should have a suggested risk level of 0. However, because the question has the "Enforce Risk Level" option enabled, the company has a risk level of 3.



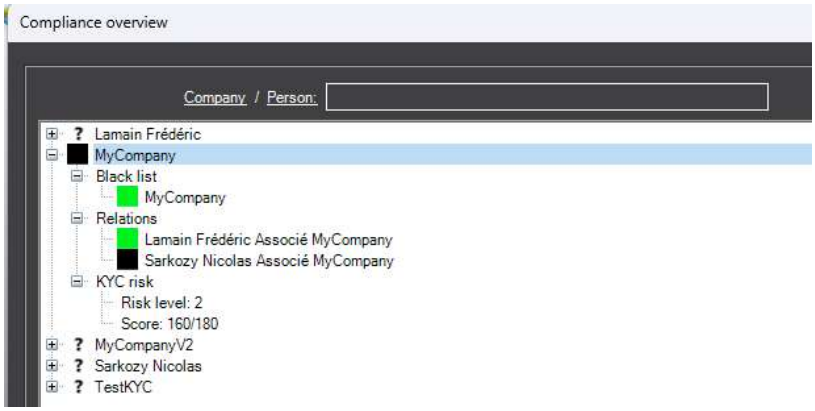
A text area below the suggested risk level explains why the risk level was calculated this way.



Once the questionnaire updates have been completed for each company or individual, you can view a summary of your KYC data for all entities.



By clicking the Refresh button, a tree view will display all companies and individuals.



Clicking the **"+"** in front of each entity refreshes the KYC data and displays a summary.

For example, *My Company* appears in black because one of its relationships is marked in black, indicating the person has been 100% blacklisted.

The details will then show:

- whether the company itself is blacklisted (Blacklist Node),
- all relationships of the company,
- whether those relationships are blacklisted or not,
- the company's risk level and KYC score.

Clicking the Refresh (Detailed) button displays all KYC information immediately. The refresh time will be longer because more data needs to be compiled.



On the right side, you can also see the number of companies and individuals:

- that are OK with KYC (Green),
- those that are blacklisted (Black),
- and the number of entities that have not been checked.