

Carne provides a managed service for Know Your Asset requirements for the funds industry. The service leverages deep regulatory experience, highly skilled subject matter experts, supported by client service and operations employees using integrated technology solutions. The service is an efficient and effective Know Your Asset (KYA) solution that provides a clear pathway to achieving improved KYA outcomes for all stakeholders in the funds industry.

## The rising complexity and cost of compliance

The democratisation and sharp rise in allocations to private assets in recent years has seen this market segment propel to new heights. The consequences of this structural shift include heightened regulatory scrutiny and risk awareness from the fund boards. In parallel, Anti-Money Laundering (AML) stipulations have become more prominent, and the asset management industry has witnessed a notable increase in sanctioned entities over the past five years. These factors mean having a robust Know Your Asset (KYA) process in place is of critical importance now more than ever.

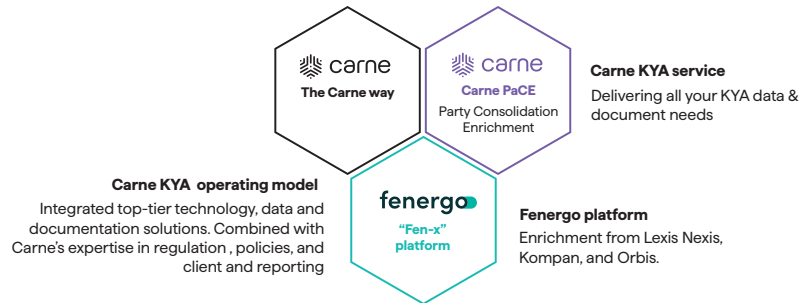
## Regulatory risk

Keeping abreast of changes to regulatory requirements can prove challenging, particularly for asset managers with multi-jurisdictional books. Financial crime and anti-money laundering are areas under the microscope for regulators. The creation of the Anti-Money Laundering Authority (AMLA) in the EU and the CSSF December 2024 FAQ have worked as catalysts to put KYA obligations to the top of the agenda. Carne are experts in fund regulation and policy, with years of experience and global expertise in regulatory change, compliance, MLRO, RC & AMLCO client services. Processes which properly integrate domain expertise and technology are critically important in the era of personal liability and Senior Manager Regimes. Carne's KYA solution reduces regulatory risk by covering the requirements of multiple regulators including CSSF, FCA, CBI and can be tailored to your global AML framework.

## Overview of Carne's Know Your Asset solution

Adapting to regulatory and technology change, alongside resourcing and skills deficits poses challenges. Many organisations are now seeking ways to improve the KYA processes, improve customer experience and future proof client onboarding.

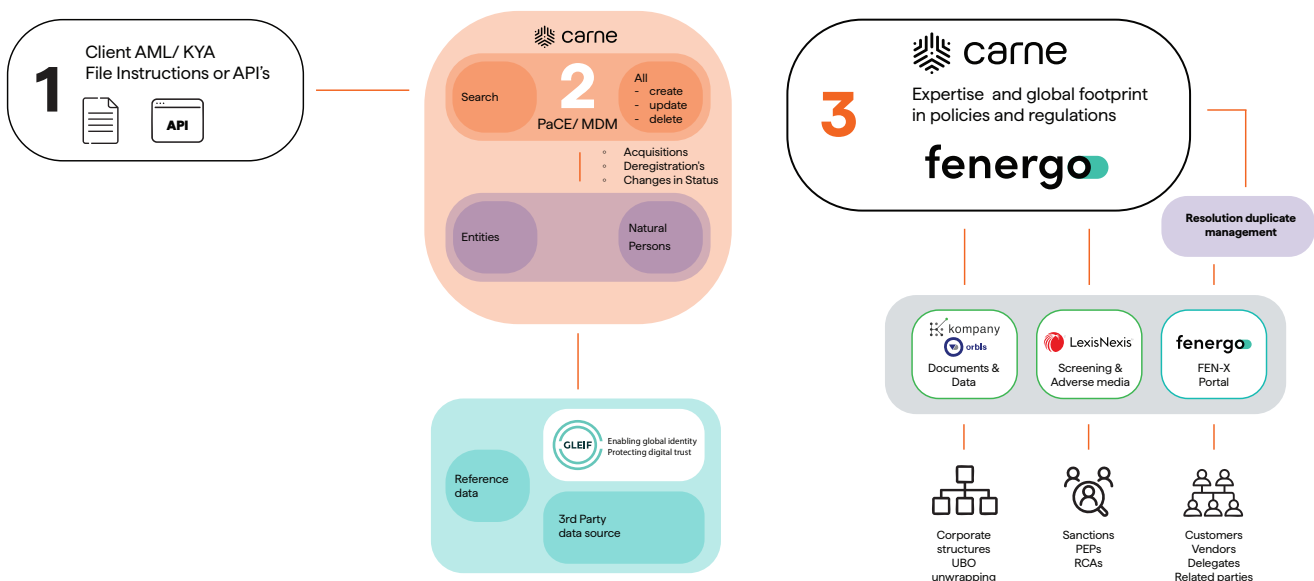
Carne KYA solves this problem by providing an end-to-end managed service optimising service value for all stakeholders, clients and KYA “subject” entities. It delivers a blend of integrated technology combined with human expertise, ensuring this business-critical function operates effectively and efficiently. The service also allows our clients to leverage our existing partnerships with third parties at unmatched value when compared to integrating these services independently.



## Core features of Carne's Know Your Asset

- Global fund regulation coverage and subject matter experts
- Journey types - including data management, screening and identity verification:
  - Onboarding
  - Maintenance
  - Screening
  - Periodic review
  - Offboarding
- KYA entity profiles
- KYA policy Manager
- KYA document management, including:
  - Automated document collection
  - Data and document enrichment

## Related party management asset risk assessment and risk-based approach



# How we help you

## Minimised onboarding and life cycle friction

Our approach makes the onboarding journey simpler and easier for all stakeholders. We understand that the process causes friction. We reduce friction, through slick process design, expert KYA operations employees, automation, and the use of leading services and data management, to deliver a digitised KYA. This mitigates risk in an ever-changing regulatory environment.

## Accelerate transaction speed and time to compliance

Outsourcing means delays in getting your product to market are no longer inevitable.

We embed global regulatory knowledge and experience throughout our processes – with expertise in assets, other entity types and related parties. We invest heavily in technology and data management, working with leading data providers, to accelerate and improve data capture, management and outcomes.

Our risk-based models and oversight activity all aim to take a proportionate approach to risk. This evens out wrinkles to seek the smoothest path to market. Carne provides an end-to-end managed service, optimising service value for all stakeholders and provides a risk-based approach and oversight activity is proportionate to risk. It is a comprehensive and scalable solution

## Optimising internal resource

Recent research by Carne Group found that when assessing time spent on obligations to ensure AML compliance, KYA is taking up the most time over KYC and KYD processes. Not only is compliance with these stipulations time intensive, but it can also consume a large proportion of the budget.

Our recent research asked fund managers about their time focus across Know Your Audience stipulations across the board:

In the context of performing know your audience (KYA) procedures to ensure anti money laundering (AML) compliance, what is the percentage focus allocation of time across the following entity types within your organisation

Entity type	Time spent on AML due diligence			
	Up to 25%	25% to 50%	50% to 75%	75% to 100%
Assets	12%	28%	59%	1%
Underlying investors	23%	49%	28%	0%
Clients	29%	48%	23%	0%
Delegates	46%	33%	20%	1%

Source: Carne Group commissioned independent research with 251 senior executives working for fund managers across Europe and the US with a total of \$2.31 trillion in assets under management.

## **Integrated service offering**

Our subject matter experts, data managers and operations staff are fund and KYA experts.

Their proficiency in regulation, products and structures helps you adapt for regulatory, technology and skill changes. Carne, working with our partners, embed data quality and source data validation, to ensure the data is accurate from the point of capture. Giving you a solid KYA foundation to work from while reducing friction for the end user. Being able to accurately and efficiently collate, screen, analyse and risk assess all of this data both reduces risk and drives faster dealmaking.

## **Decrease risk – Increase trust**

Working with our partners, the Carne platform is secure, resilient, and scalable. We have 21 years' experience in handling complex and sophisticated data protection and privacy issues. Given the complexities and the time needed for KYA operations, our recent research found that 15% of fund managers surveyed outsourced the process to a third party. Almost three-quarters are considering doing so in future.

Our experts are ready to discuss the challenges you face and propose ways of solving them.

Please contact us on [globalkya@carnegroup.com](mailto:globalkya@carnegroup.com)