



# I-CHECKIT FOR THE FINANCIAL SECTOR

APRIL 2023

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## FIGHTING FINANCIAL FRAUD

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Criminals are increasingly using stolen and fraudulent documents to open bank accounts and commit financial fraud. These accounts pose serious security risks, as they can allow the transfer of illicit funds.

For this reason, the Financial Action Task Force (FATF) recommended a comprehensive framework which countries should implement in relation to Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT).

Systems that help identify customers allow the financial sector to carry out appropriate due diligence. This is often referred to as Know Your Customer (KYC).



To address the challenge of fraudulent documents, INTERPOL's General Assembly approved the extension of I-Checkit to the financial sector.

I-Checkit is a screening service for private sector partners to conduct advanced checks in real-time, in collaboration with the law enforcement community. It closes security gaps and encourages cooperation between the public and private sectors by facilitating information exchange.

By screening new and existing clients, I-Checkit supports customer due diligence obligations. This can also help fight against money laundering and the financing of terrorism.

I-Checkit assists law enforcement authorities detect fraudulent identity documents via INTERPOL's SLTD database. The screening solution can also assist in locating criminals that are subjects of INTERPOL Red Notices via the TDAWN (Travel Document Associated with (Red) Notices) database.



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## DUE DILIGENCE PROCESS

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Before any collaboration with financial institutions, INTERPOL carries out a thorough due diligence process. This involves consulting with the National Central Bureau (NCB) where the financial institution is legally registered. Based on positive results, the financial institution signs a non-disclosure agreement (NDA).



The I-Checkit service is subject to a comprehensive legal framework. The collaboration agreement between INTERPOL and the financial institution provides appropriate safeguards to ensure compliance with INTERPOL's Rules on the Processing of Data (RPD).

Before any agreement, the financial institution has to perform a Data Protection Impact assessment (DPI) and if necessary, consult the national data protection agency.

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## I-CHECKIT IN THE FINANCIAL SECTOR

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## LEGAL FRAMEWORK

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## HOW I-CHECKIT WORKS

I-Checkit is administered via a secure web service connection. This allows private companies to automatically submit customer identity document information from their system to the INTERPOL information system. This means the financial institution has no access to INTERPOL databases.

The screening solution enables financial institutions to submit 3 sets of identify document information (type of document, document number and issuing country).

The screening in the financial sector occurs when new clients open an account or to carry out ongoing due diligence for existing clients.



Identity documents are screened against the databases - SLTD and (TDawn) (Red Notices only). The data screened does not include names of individuals.

A database match triggers an instant notification so the situation can be investigated. The way to send alerts and follow-up depends on member countries' 2 participation options:

### OPTION 1

Notifications are sent to INTERPOL's General Secretariat and to the NCBs involved.

The General Secretariat sends a notification message to the financial institution based on the probable fraudulent use of the identity document.

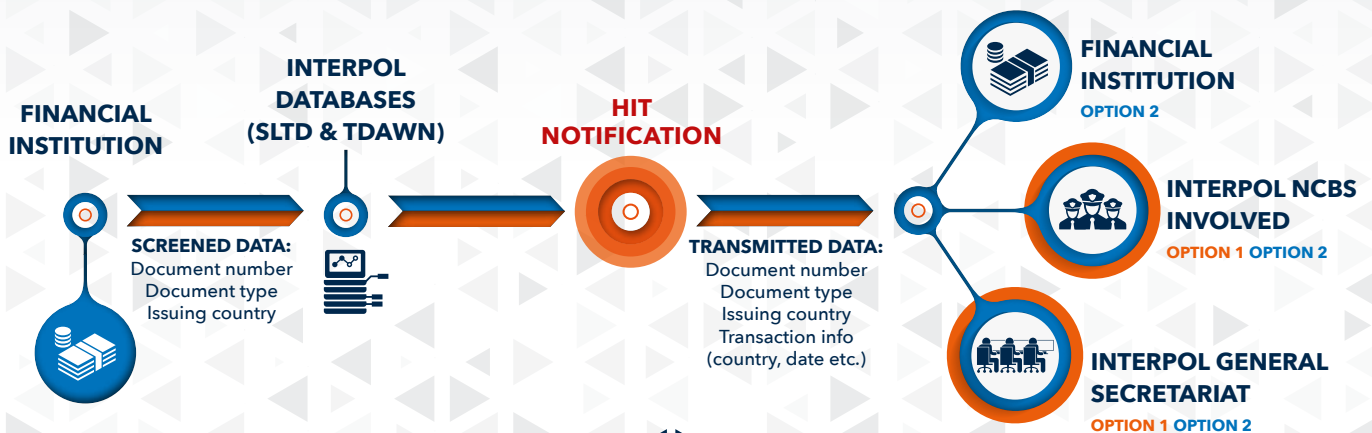
### OPTION 2

Notifications are sent to INTERPOL's General Secretariat and to the NCBs involved.

No notification though is sent to the financial institution unless an exception is made by the NCB data source.

The financial institution uses this information to further analyze the account and potentially issue Suspicious Activity Reports (SARs). Financial Intelligence Units (FIU) and law enforcement authorities can also use this information to investigate criminal activity.

## HIT NOTIFICATION AND FOLLOW-UP



## FINANCIAL MODEL

INTERPOL aims to provide policing capabilities that benefit the international community. I-Checkit is therefore based on a cost recovery model. This means that a fee is charged to cover the costs required to deliver the service.



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