



# Baltic Exchange KYC Platform **Product Brochure**

Prepared May 2024



## Contents

Baltic KYC Platform.....	2
Introducing the Baltic KYC Platform.....	2
Why is KYC important in the shipping industry? .....	2
Key Features of the Baltic KYC Platform.....	3
Benefits to Users.....	3
Sign Up Now .....	4
Who Is The Baltic Exchange? .....	4

# Baltic KYC Platform

Introducing the Baltic KYC Platform... convenient and cost-effective KYC solutions at the click of a button

## Why is KYC important in the shipping industry?

KYC, which stands for "Know Your Customer," is primarily a regulatory requirement in the banking and financial services sectors to ensure that businesses are doing their due diligence on customers to prevent fraud, money laundering, and terrorism financing. Over time, the principles of KYC and due diligence have become relevant to various industries beyond finance, including the shipping industry, which is a vital part of global commerce, handling over 80% of world trade.

Here's why due diligence and KYC are important in the shipping sector:

1. **Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF):** While shipping might not seem like an obvious target for money laundering or terrorist financing, the industry can be used as a conduit for illicit funds. Vessels, for example, could be bought with illegal funds or used to transport illegal goods. Knowing the real owners and beneficiaries of a shipping transaction can help flag suspicious activities.
2. **Sanctions Compliance:** Governments and international organizations often impose sanctions on specific countries, entities, or individuals. Shipping companies need to ensure they are not inadvertently doing business with sanctioned parties. Without proper KYC checks, a ship could be chartered by, or cargo could belong to, a sanctioned individual or entity.
3. **Reducing Fraud:** Just like in other industries, the shipping sector is not immune to fraud. By knowing their customers better, shipping companies can ensure that they are dealing with legitimate businesses and reduce the risk of becoming embroiled in fraudulent activities.
4. **Protecting Reputation:** Associating with entities involved in illegal or unethical activities can harm a shipping company's reputation. Thorough KYC checks help in filtering out potentially problematic clients.
5. **Operational Risk Management:** KYC can help shipping companies understand their customers' behaviour patterns, financial health, and general reliability. This can help in assessing risks related to payment defaults, contract breaches, or other operational issues.
6. **Regulatory Compliance:** Governments and regulatory bodies globally are intensifying their scrutiny of businesses, emphasizing the importance of thorough vetting.
7. **Trust and Transparency:** As with many other industries, trust and transparency play crucial roles in the shipping industry. Proper KYC processes can help build trust between parties in shipping transactions, ensuring smoother operations and fewer disputes.

8. **Liability Issues:** Without proper KYC checks, a shipping company might unknowingly transport illegal or restricted goods. This could lead to legal liabilities and significant financial penalties.

While due diligence and KYC might have their roots in the financial sector, the principles are applicable to any industry where there's a risk of fraud, illegal activities, or regulatory non-compliance. For the shipping industry, which often deals with high-value goods and operates across international borders, due diligence is a crucial tool for risk management and ensuring compliance.

## Comprehensive Due Diligence Solutions

1. **Company Checks:** Information drawn from multiple trusted sources powered by Moody's extensive Orbis for Compliance database covering over 445+ million entities, both shipping and non-shipping, worldwide, available at the tips of your fingers. This includes the company registration number, incorporation date, registered office address, names of shareholders, directors and management, and subsidiaries, and financials, where available.
2. **Sanctions, PEPs & Adverse News Scans:** Stay informed about any potential red flags associated with businesses or individuals with information from Moody's Global Regulatory Information Database (GRID) which is a 12 million-plus record, continuously updated risk data archive on known or suspected corrupt private-and public sector figures, fraudsters, illicit financiers, money launderers, organised crime figures and groups, terrorist figures and organisations, politically exposed persons, and dozens of other risk relevant categories of persons and organisations.. Ensure your partners, suppliers, and customers are not involved in any sanctioned or other illegal activities or politically exposed, lowering compliance risks.
3. **Real-time Alerts:** Receive timely updates on changes in a company's or individual's status or relevant news, ensuring you're always acting on the most recent information.
4. **User-friendly Interface:** Designed with users in mind, our platform is intuitive and easy to navigate, making your due diligence process smooth and straightforward and saving time and money

## Benefits to Users

- **Sanctions Compliance:** Ability to check you are not inadvertently doing business with sanctioned entities. Non-compliance can result in financial penalties and damage to reputation.
- **Informed Decision Making:** Make informed decisions to protect your business interests.
- **Stay Ahead of Risks:** Proactively identify potential threats and address them before they escalate, ensuring smooth and risk-free operations.
- **Enhanced Reputation and Confidence:** Demonstrating strong due diligence processes boosts customer and stakeholder trust, solidifying your reputation in the marketplace.

- **Time Efficiency:** Avoid manual, time-consuming searches. Our streamlined platform provides results almost instantaneously.
- **Cost Efficiency:** Buy credits for searches and scans as and when needed without having to commit to a costly, long-term contract or minimum level of usage

## Sign Up Now

Website: <https://www.balticexchange.com/kyc>

Email: [KYC@balticexchange.com](mailto:KYC@balticexchange.com)

Resource: [Baltic KYC – User Guide](#)

## Who Is the Baltic Exchange?

The Baltic Exchange is the world's only independent source of maritime market information for the trading and settlement of physical and derivative contracts.

The Baltic community consists of approximately 5,000 members, including shipowners, shipbrokers and charterers, maritime lawyers, arbitrators, P&I Clubs, and maritime associations.



