

Know Your Customer (KYC) process

Carbon Standards International (CS) has robust anti-money laundering processes in place. A publicly available KYC process and an Anti-Bribery and Corruption Policy are in place (see [Compliance Guidelines](#)). Endorsed entities seeking to use the Registry must undergo a series of Know Your Customer (KYC) checks and are then subject to ongoing monitoring to identify any suspicious activity.

Scope

The following is a description of the Know Your Customer (KYC) process that must be followed. These procedures are in place to minimise the risk of money laundering and terrorist financing. These requirements are implemented by CS as a matter of best practice.

Features of the KYC process

- **Applies to:** all Registry account holders, i.e. project operators (suppliers), buyers and intermediaries.
- **Objective:** to prevent money laundering, terrorist financing and sanctions violations via the Registry, and to meet the ICVCM's requirements for robust AML processes.
- **Legal framework:** As a Swiss company, we are bound by the Swiss sanction list [SECO](#) sanctions list. We implement the Financial Action Task Force [FATF](#) check and the other steps as voluntary best practice.

Before opening an account, information about the company is collected and assessed against the [FATF](#) country lists and the [SECO](#) sanctions list. Only then the account will be authorised.

Step 1: Data collection during onboarding

The customer provides mandatory details on the [registration form](#).

Field	Content
Company name	Full name exactly as it appears in the register
Legal form	e.g. GmbH, AG, SARL, Ltd.
Registered office address	Street, postcode, town, country
Company number	Company register number (AT), UID/CHE number (CH), commercial register number (other countries)
Company register extract	PDF

Additionally, the customer confirms that the provided information is correct by ticking a box.

If any of these informations are missing, the client will be contacted.

Step 2: Formal checking the documents

It is assessed whether the details are consistent and whether the company actually exists:

1. The company name, legal form, address and company number match the extract from the commercial register.
2. The company is active, i.e. it has not been struck off the register and is not in liquidation or bankruptcy.

Any discrepancies are resolved with the client. If any of these triggers are met, an account cannot be opened. (see Step 5).

Step 3: FATF country check

Two countries are assessed: the country where the company is registered and the country of the bank. If either of these is on the [FATF Black List](#), we reject the application. If either is on the Grey List, an enhanced due diligence check is carried out.

List	Countries (as at the FATF plenary meeting on 19 June 2026)	Consequence
Black List (High-Risk Jurisdictions subject to a Call for Action)	Iran, Myanmar, North Korea	Rejection
Grey List (Jurisdictions under Increased Monitoring)	Angola, Bolivia, Bosnia and Herzegovina, British Virgin Islands, Bulgaria, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Iraq, Yemen, Cameroon, Kenya, Kuwait, Laos, Lebanon, Monaco, Nepal, Papua New Guinea, South Sudan, Syria, Venezuela, Vietnam (22)	enhanced due diligence

- The Grey List does not, by design, result in rejection. The FATF does not require enhanced due diligence in these countries, but rather a risk-based approach.
- The FATF updates the lists after each plenary meeting (February, June, October). The COO assesses the table above and updates it accordingly.

Source: [FATF](#)

Step 4: Sanctions check with Swiss sanction list (SECO)

The company name and the names of the board members from the commercial register extract are assessed against the Swiss sanction list SECO sanctions list. A confirmed match will result in automatic rejection and a report to SECO.

Search-Procedure:

1. Company name without their legal form, e.g. "Muster Biochar" instead of "Muster Biochar GmbH" are entered into SECO's SESAM search.
2. Each body is assessed individually, using the surname as the search term.

Verifying matches: A name match is initially only a possible match. The country, address, registration number and, in the case of individuals, date of birth and nationality are compared with the entry on the list.

Result	Procedure
No match	Continued with step 5
False positive (different country, different date of birth, etc.)	Recorded in checklist; proceed to step 5
Unclear match	Clarification is requested from SECO by email to sanctions@seco.admin.ch
Confirmed match	Rejection, report to SECO, no details to the client

Step 5: Decision and approval

Each application ends with a result: the person assessing the application approves it. Unclear cases are forwarded to the COO (dual-control principle). Confirmed match will be rejected.

Result	Trigger	Action	Approved by
No match, no risk	Documents in order, not a FATF country, no SECO match	Open account	Assessor

Result	Trigger	Action	Approved by
Unclear match, middle risk	Registered office	Enhanced due diligence (see below), followed by a decision	COO
Confirmed match, high risk	Headquarters or confirmed SECO match, false information, client refuses to provide information	Rejection; in the event of a SECO match, report to SECO	COO

Increased due diligence for “unclear” cases:

- Obtain the names and countries of the beneficial owners (with a stake of 25% or more) and also assess them against the SECO list.
- Obtain a brief explanation of the business model and the source of funds.
- Conduct a web search on the company and its governing bodies using the terms ‘fraud’, ‘money laundering’, ‘sanction’ and ‘corruption’.
- Record the decision and the reasons for it in the checklist.

Communication in the event of rejection: The client receives only a general rejection without any specific reason being given.

Ongoing monitoring

A single check during onboarding is not sufficient. Existing accounts are assessed at least once a year and again whenever there is a change to the mentioned lists.

Triggers	What we assess	How
Annually, on a fixed date	All accounts against the SECO list and FATF lists	XML master list is downloaded; cross-check the customer list using the Excel quick check
After each FATF plenary session (February, June, October)	Country assessment of all accounts	Check newly listed countries against customers’ countries of domicile and countries where their banks are based

Triggers	What we assess	How
Client reports a change (name, registered office, governing bodies, bank)	Relevant details	Repeat steps 2 to 5 for the amended details
Suspicious transaction	Account and counterparty	Exercise increased due diligence as in step 5