



Inside Markit's Know Your Third Party Platform

It's been roughly six months since Markit announced a cloud-based hub that would concentrate data from third parties, making it easier for its clients to evaluate the risk. Barclays, HSBC and Morgan Stanley joined Markit's project and in October 2015, Know Your Third Party (KY3P) platform launched.

KY3P offers simplified data processes from third-party companies, providing information such as profiles, negative news, and more, and evaluating the risk for banks and asset managers.

The platform minimizes the amount of information transferred between requests and responses from asset managers to vendors and vice versa, by standardizing due diligence questionnaires and storing the information centrally.

KY3P revolves around five key elements. The first is the aggregation of company profiles (financial information, products, and people). It also stores and organizes external audit reports from third parties, notifies clients of the latest industry events, and provides standard and simplified questionnaires. Lastly, KY3P tracks and monitors negative news.

"The important thing is that the product is up and running. The introduction of a product is always a great thing, and we are very proud of the product that we built. But unless it is being used, it doesn't mean anything. So having costumers actively using it is what pleases us the most," says Gina Ghent, managing director and head of Markit KY3P.

"There are 15 banks and asset managers that are costumers of the platform already," Ghent adds. The platform also counts 195 registered vendors who use it to provide data for Markit's clients. "Right now, we are in the process of running a campaign along with the asset managers and the banks, to get on board even more vendors and engage with the product. We're very pleased with this progress so far," says Ghent.

Upgrades Planned

Changes and upgrades are planned for KY3P, although Ghent declines to disclose what these will be. "Thus far, KY3P has been well accepted by the market. Clients are embracing the product, and there is expressed interest from further vendors, too. We expect to grow even more this year," says Gent.



Gina Ghent, Markit

According to Markit, the feedback from the banks and asset managers that use KY3P is that it meets global and regulatory standards. "Also with the vendors, the reception is great as well. For them, the due diligence questionnaire plays an important part in making the decision to join KY3P. So far, they say that it makes the process much more efficient. They have one centralized place to answer questions and post their documents," Ghent says.

Markit will continue to work with advisory groups from all involved parties—banks, asset managers and vendors, Ghent says. "We are engaged with them to see how things are going and what changes they need to see on the platform," she says.

Aggelos Andreou